



Arnold Schwarzenegger  
Governor

September 17, 2010  
22M:dph:366:1093

Mr. Sam Couchman, Director  
Imperial County Workforce Development Office  
2695 S. 4<sup>th</sup> Street, Bldg. D  
El Centro, CA 92243

Dear Mr. Couchman:

AMERICAN RECOVERY AND REINVESTMENT ACT  
PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Imperial County Workforce Development Office's (ICWDO) activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Mr. David Hinojosa from February 22, 2010 through February 25, 2010.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by ICWDO with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with ICWDO representatives, service provider staff, and ARRA participants. In addition, this report includes the results of our review of sampled case files, ICWDO's response to Sections I and II of the ARRA Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

We received your response to our draft report on June 21, 2010, and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address the finding cited in the draft report, we consider this finding unresolved. We request that ICWDO provide the Compliance Review Office (CRO)

with additional information to resolve the issue that led to the finding. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 10079.

### **BACKGROUND**

For PY 2009-10, ICWDO was allocated \$1,194,900 in ARRA funding to serve adult participants; \$2,781,478 to serve youth participants; and \$2,690,586 to serve dislocated worker participants.

For the quarter ending March 31, 2010, ICWDO reported the following expenditures for its ARRA funded activities: \$1,109,266 for adult participants; \$1,707,714 for youth participants; and \$803,506 for dislocated worker participants. In addition, ICWDO reported the following enrollments: 76 adult participants; 142 youth participants; and 41 dislocated worker participants. We reviewed case files for 18 participants enrolled in ARRA adult worker funded activities and for 7 participants enrolled in ARRA dislocated worker funded activities, as of February 22, 2010.

### **PROGRAM REVIEW RESULTS**

While we concluded that, overall, ICWDO is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of Memorandums-of-Understanding (MOUs). The finding that we identified in this area, our recommendation, and ICWDO's proposed resolution of the finding is specified below.

### **FINDING 1**

**Requirement:** 20 CFR Section 662.230(c) states, in part, that all required partners must enter into an MOU with the Local Board relating to the operation of the One-Stop system that includes how the cost of the identified services and operating costs of the system will be funded.

20 CFR Section 662.200 states, in part, that required One-Stop partners include programs authorized under Title I of the Rehabilitation Act of 1973, postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act, and adult education and literacy activities authorized under Title II.

20 CFR Section 662.210 (b) states, in part, that additional One-Stop partners may include Temporary Assistance for Needy Families programs authorized under part A of Title IV of the

Social Security Act and employment and training programs authorized under section 6(d)(4) of the Food Stamp Act of 1977.

20 CFR Sections 662.270 states, in part, that each partner of the One-Stop delivery system (One-Stop center) must contribute a fair share of the operating costs, which is proportionate to the use of services at the One-Stop center by individuals attributable to the partner's program. The particular funding arrangements for services and operating costs of the One-Stop delivery system must be described in a documented agreement attributable to the partner's program.

WIA Section 121(a) states, in part, that the local board for a local area shall develop and enter into an MOU with One-Stop partners.

**Observation:**

We observed that ICWDO does not have an MOU with the following One-Stop partners: California State Department of Rehabilitation (DOR), Imperial Valley College (IVC), San Diego State University (SDSU), Safeway Truck Driving, and the Imperial County Department of Social Services (ICDSS) for the Older American's Act program.

There was a similar issue in PY 2008-09.

**Recommendation:**

We recommended that ICWDO provide to CRO a CAP, with a timeline, to secure signed MOUs with DOR, IVC, SDSU, Safeway Truck Driving, and ICDSS. Once completed, we recommended that ICWDO provide copies of the MOUs to CRO.

**ICWDO Response:**

The ICWDO states it is in the process of obtaining signatures on the MOUs. The Imperial County Board of Supervisors (ICBOS) will be approving the DOR MOU on June 15, 2010 and the other MOUs are also scheduled to be approved by ICBOS as they are returned by the respective agencies or organizations. The ICWDO provided copies of signed MOUs for DOR, IVC, SDSU, and Safeway Truck Driving on August 11, 2010. The ICWDO stated that they are working on obtaining an MOU with the Older American's Act program and the process is expected to be completed within the next two months.

**State Conclusion:**

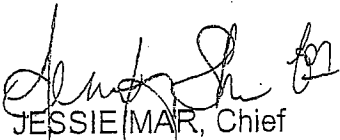
Based on the documentation provided, we consider the issue of no MOUs with DOR, IVC, SDSU, and Safeway Truck Driving closed. The ICWDO's stated corrective action to obtain an MOU

with the Older American's Act program should be sufficient to resolve the remaining part of this issue. However, we cannot close this issue until ICWDO provides CRO with a copy of the signed MOU when it is obtained. Until then, this issue remains open and is assigned CATS number 10079.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is ICWDO's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain ICWDO's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Jose Luis Marquez, MIC 50  
Daniel Patterson, MIC 45  
Georganne Pintar, MIC 50  
Eileen Rohlfing, MIC 50